

HCA's Value-based Roadmap and Value-based Purchasing Survey Results

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Policy Division
January 31, 2018

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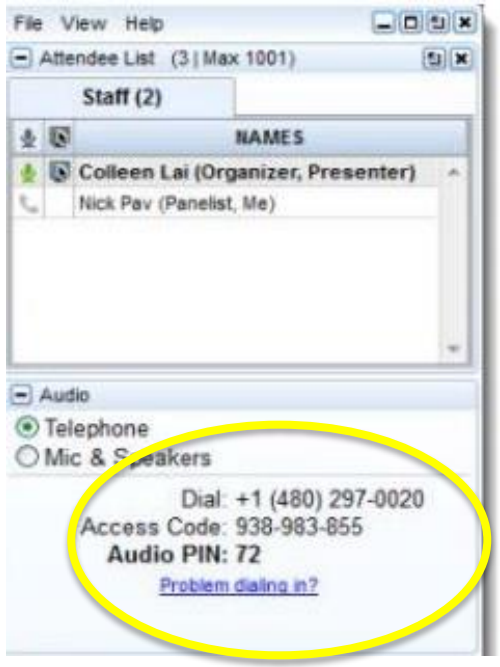

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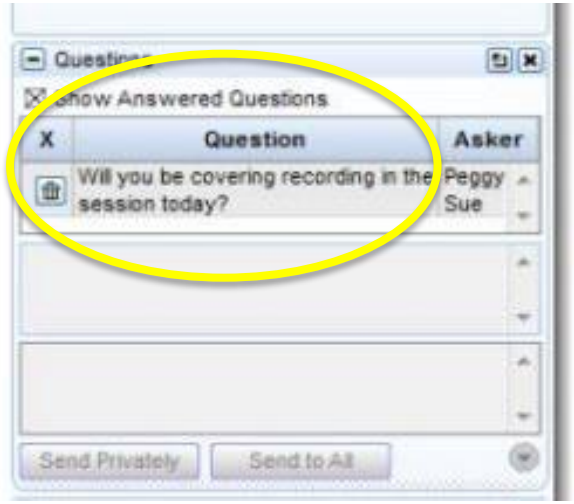


Today's panelists

- Mich'l Needham, Chief Policy Officer, Heath Care Authority
- J.D. Fischer, Senior Health Policy Analyst, Heath Care Authority

Today's agenda

- HCA's Value-based Roadmap
- Results from the annual Value-based Purchasing Survey
- Questions & Answers

HCA’s Value-based Roadmap

HCA: purchaser, convener, innovator

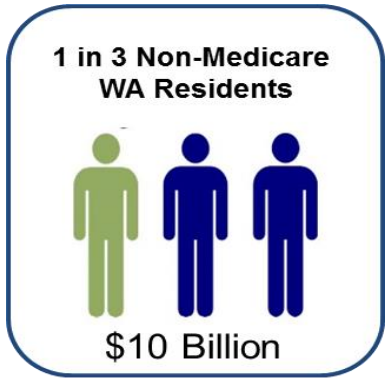
Purchases health care for over 2.2 million people; $10 billion spend annually

Medicaid (Apple Health)

- 2.2 million covered lives
- 5 MCOs: Amerigroup, Community Health Plan of Washington, Coordinated Care, Molina, UnitedHealthcare
- Medicaid Transformation

Employees & Retirees Benefits (ERB) for public employees and retirees

- 370,000 covered lives, statewide and internationally
- Two carriers:
  - Regence TPA, self-insured plan: PPO, CDHP, ACO
  - Kaiser WA, Kaiser NW, fully insured plan: HMO and PPO options



HCA purchasing goals

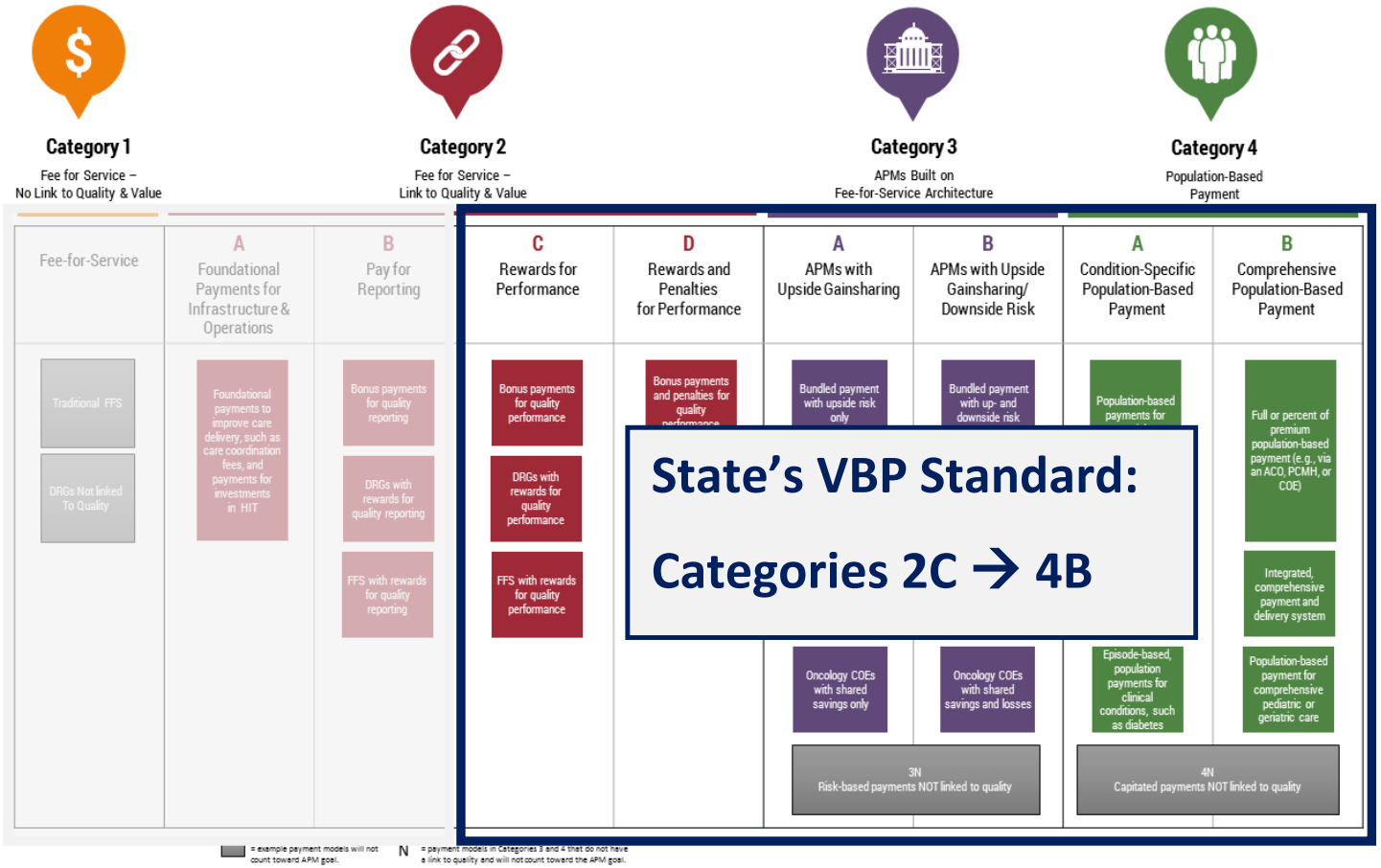
By 2021:

- 90 percent of state-financed health care and 50 percent of commercial health care will be in value-based payment arrangements (measured at the provider/practice level).
- Washington's annual health care cost growth will be below the national health expenditure trend.

Tools to accelerate VBP and health care transformation:

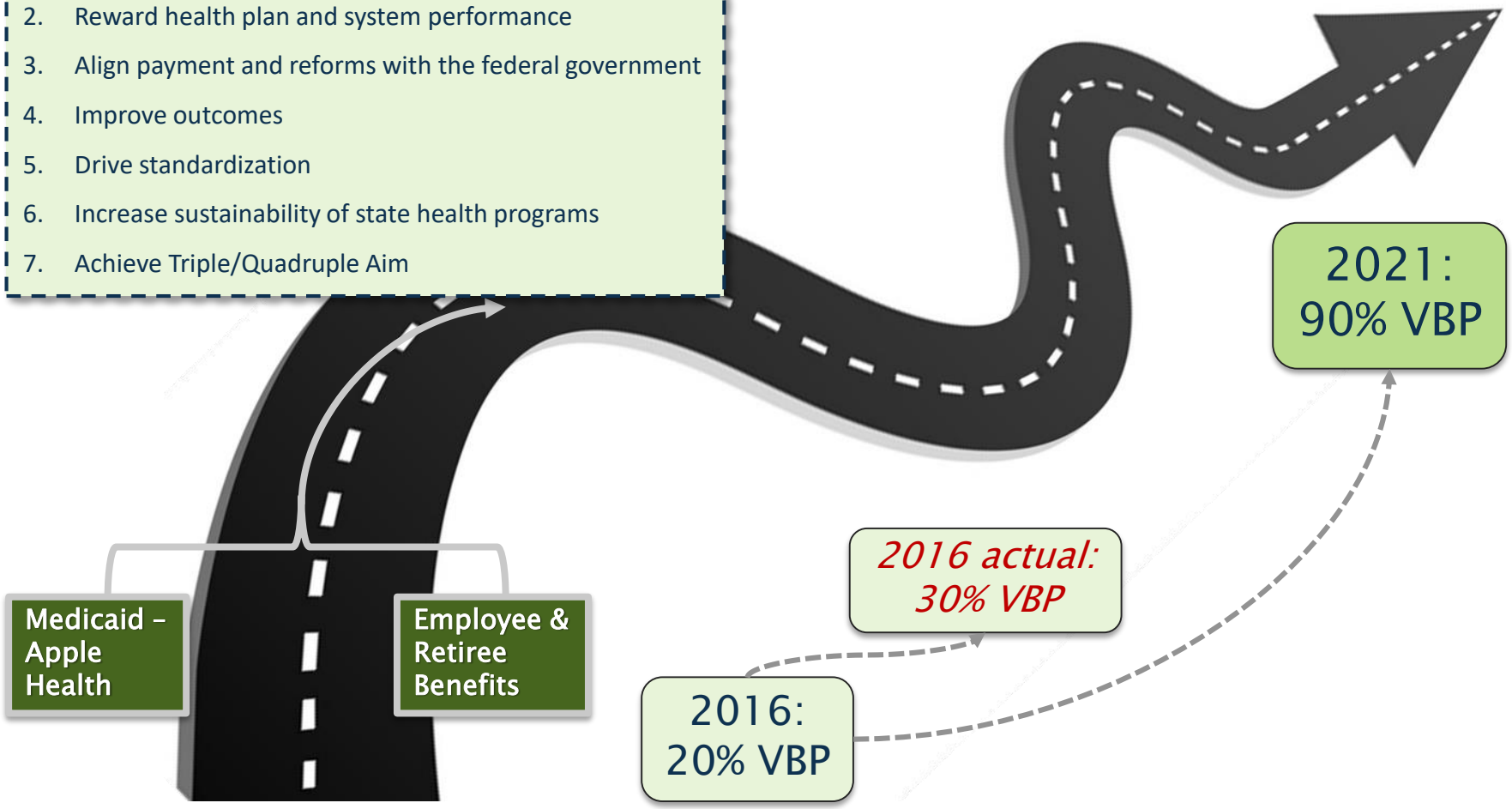
- 2014 legislation directing HCA to implement VBP strategies
- SIM Round 2 grant, 2015-2019
- DSRIP Medicaid Transformation 2017-2021

Alignment with CMS' Alternative Payment Models Framework

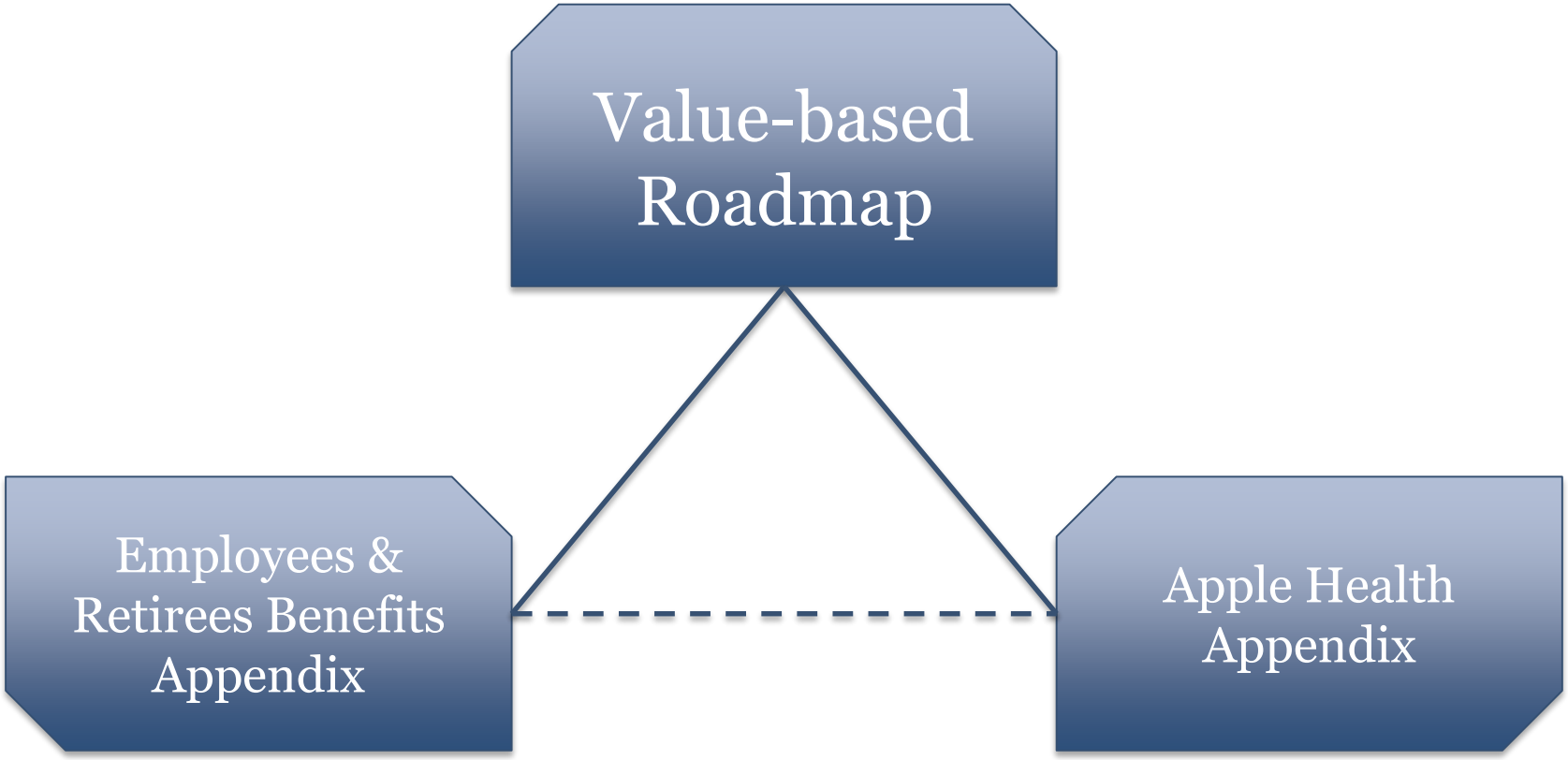


HCA's Value-based Roadmap

1. Reward patient-centered, high quality care
2. Reward health plan and system performance
3. Align payment and reforms with the federal government
4. Improve outcomes
5. Drive standardization
6. Increase sustainability of state health programs
7. Achieve Triple/Quadruple Aim



HCA's Value-based Roadmap & appendices



Value-based Roadmap – highlights

Apple Health	PEBB	SEBB
Launched Medicaid Transformation	Total Joint Replacement Center of Excellence program in partnership with Virginia Mason and Premera	Governor signed House Bill 2242, directing HCA to create the School Employees Benefits Board
1% withhold in MCO contracts	Expanded the Accountable Care Program to four additional counties	Facilitated initial School Employees Benefits Board meetings
Continued expanding fully integrated managed care	Released an RFI on bundled payment strategies	
Began exploring episodes of care and bundled payment strategies		
Alternative Payment Methodology 4 (APM4) – for FQHCs and RHCs		

Apple Health appendix

- Reflects specific initiatives and changes pertaining to the Apple Health (Medicaid) program
- Highlights activities under the five-year Medicaid Transformation Project
- Updated annually to meet terms and conditions of the state's agreement with CMS

Employees and Retirees Benefits (ERB) appendix

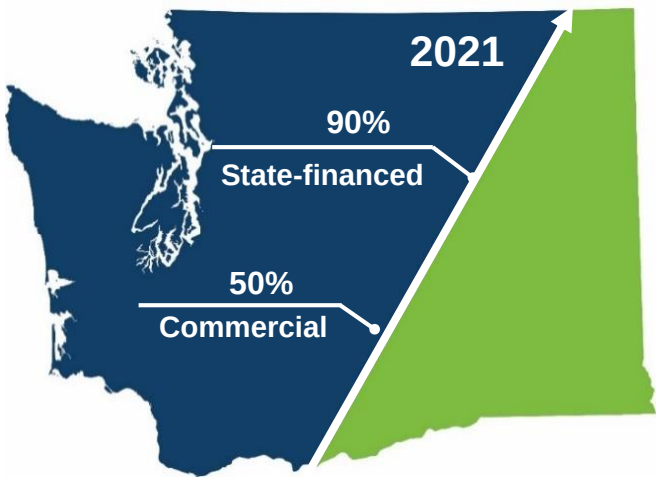
- Reflects specific initiatives and changes pertaining to ERB programs
- Demonstrates how HCA is paying for value and driving common elements across programs
- Signals HCA's vision for expansion of current programs and development of new programs and initiatives

HCA's Value-based Purchasing Survey

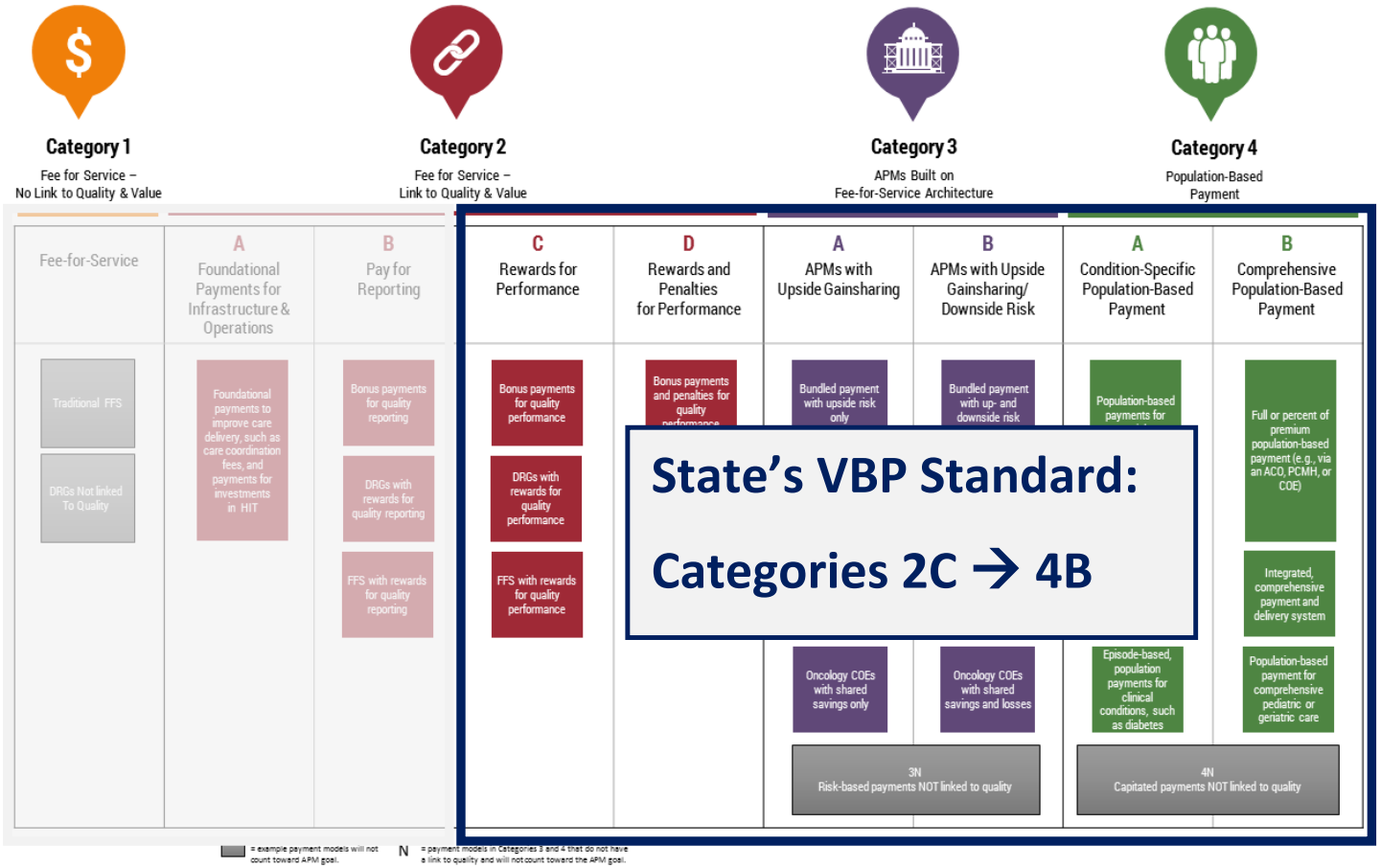
Overview

Three surveys: MCO, commercial health plan, provider

- Purpose: track progress towards Paying for Value goals
- Issued to all Washington State health plans (including five MCOs) and broadly to provider organizations
- MCO and provider surveys add more information and context
- Intended to be completed by administrators



Alignment with CMS' Alternative Payment Models Framework



Survey templates – payers

Table 1: Total Annual Statewide Payments by APM Category (2016)

APM Category	APM Subcategory	Strategy	Sector		
			Medicaid	Medicare	Commercial
1 FFS - No Link to Quality	1	Fee-for-Service	$ -	$ -	$ -
2 FFS - Link to Quality	2A	Foundational Payments for Infrastructure & Operations	$ -	$ -	$ -
	2B	Pay for Reporting	$ -	$ -	$ -
	2C	Rewards for Performance	$ -	$ -	$ -
	2D	Rewards and Penalties for Performance	$ -	$ -	$ -
3 APMs built on FFS Architecture	3A	APMs with Upside Gainsharing	$ -	$ -	$ -
	3B	APMs with Updside Gainsharing and Downside Risk	$ -	$ -	$ -
4 Population-Based Payment	4A	Condition-Specific Population-Based Payment	$ -	$ -	$ -
	4B	Comprehensive Population-Based Payment	$ -	$ -	$ -
Total Annual Payments			$ -	$ -	$ -

Table 2: Total Annual Statewide Covered Lives by APM Category

APM Category	APM Subcategory	Strategy	Sector		
			Medicaid	Medicare	Commercial
1 FFS – No Link to Quality	1	Fee-for-Service	-	-	-
2 FFS - Link to Quality	2A	Foundational Payments for Infrastructure & Operations	-	-	-
	2B	Pay for Reporting	-	-	-
	2C	Rewards for Performance	-	-	-
	2D	Rewards and Penalties for Performance	-	-	-
3 APMs built on FFS Architecture	3A	APMs with Upside Gainsharing	-	-	-
	3B	APMs with Updside Gainsharing and Downside Risk	-	-	-
4 Population-Based Payment	4A	Condition-Specific Population-Based Payment	-	-	-
	4B	Comprehensive Population-Based Payment	-	-	-

**Asked MCOs for regional (by ACH) breakdowns of payments and covered lives*

I.	**Barriers and Enablers to VBP Adoption** From the lists below, rank your perceived TOP FIVE barriers and TOP FIVE enablers to the adoption of VBPs by using the numbers 1 through 5 in column B (with "1" corresponding with the most significant barrier/enabler).
A)	**Barriers:** In your organization's experience, what are the **TOP FIVE BARRIERS** to the adoption of VBP arrangements?
	Interoperable data systems
	Lack of cost transparency
	Payment model uncertainty
	Consumer engagement
	Attribution
	Regulatory changes
	Disparate incentives/contract requirements
	Lack of collaboration
	Disparate quality measurements/definitions
	State-based initiatives (e.g. State Innovation Model grat - Healthier Washington; Medicaid Transformation Demonstration)
	Other:

II.	**Quality Metrics Applied to Current VBP Contracts**
A)	**Alignment of Quality Measures Used to Assess Provider Performance in Current VBP Contracts** (Select most appropriate response in drop down and provide any additional information in area to right)
	1. Contracts. Does your organization use the same set(s) of quality measures (e.g., HEDIS measures, Statewide Common Measure Set, plan-specific measures) across provider contracts? If so, please provide information on the extent of alignment across contracts and what types of measures are used, if applicable.
	2. State. Has your organization made any effort to align quality measures used in VBP contracts with those used by the State (Health Care Authority)? If so, please provide information on the extent of alignment.

III.	**Traditional organization Functions**
A)	**Under certain VBP arrangements, organizations may shift traditionally organization-based functions onto contracted providers. Which of the following roles are your providers with VBP contracts performing, in all or in part? (Note: This refers to shared functionality rather than formal delegation.)** (Select "X" for each that applies and provide any additional information in area to right, if applicable)
	Care coordination
	Utilization management
	Provider network management
	Provider payments
	Quality management
	Other: _____

Survey templates – providers

Provider info

- Name
- Type
- Size
- Service location

VBP

- Revenue (total and %VBP by APM Category)
- Rated experience w/VBP
- Enablers/barriers
- Projected future participation in VBP

I.	Provider Information
A)	**Organization Name** (Include provider name if independent practice)
	Enter text here

B)	**Which type(s) of provider organization most closely aligns with your organization?** (Select "X" for each applicable)	
	Not-for-profit	
	For-profit	
	Single-provider practice	
	Independent, multi-provider single-specialty practice	
	Multi-specialty practice	
	Rural Health Clinic	
	Federally Qualified Health Center	
	Hospital	
	Critical Access Hospital	
	Inpatient clinic/facility, including evaluation and treatment centers	
	Outpatient clinic/facility	
	Behavioral health provider (e.g., mental health provider, substance use disorder provider)	
	Tribal health care provider	
	Other	If other, please describe: Enter text here

II.	Participation in Value-Based Payment (VBP)					
A)	**For each payer (Medicaid, Medicare, commercial), please provide the following:**		**Medicaid**	**Medicare**	**Other Government**	**Commercial**	**Self Pay**
	(i) Total Revenue for CY 2016 (Enter revenue, as defined in Definitions tab, in space to the right)		$ -	$ -	$ -	$ -	$ -
	(ii) Did you receive *any* of this CY 2016 revenue through VBP, defined as payments made through arrangements described in Categories 2C through 4B, below? (Categories are listed below and defined in Definitions tab; select "Yes" or "No" to right)						
	(iii) For each payer, what is the approximate percentage of revenue for each payment category listed below? (Enter approximate percentage to the right of each payment category, as defined in Definitions tab)		**Medicaid**	**Medicare**	**Other Government**	**Commercial**	**Self Pay**
	1 - FFS, No Link to Quality	**1 Fee-for-Service**	0%	0%	0%	0%	0%
	2 - FFS, Link to Quality	**2A Foundational Payments for Infrastructure & Operations**	0%	0%	0%	0%	0%
		2B Pay for Reporting	0%	0%	0%	0%	0%
		2C Rewards for Performance	0%	0%	0%	0%	0%
		2D Rewards and Penalties for Performance	0%	0%	0%	0%	0%
	3 - APMs Built on FFS	**3A APMs with Upside Gainsharing**	0%	0%	0%	0%	0%
		3B APMs with Upside Gainsharing and Downside Risk	0%	0%	0%	0%	0%
	4 - Population-Based Payment	**4A Condition-Specific Population-Based Payment**	0%	0%	0%	0%	0%
		4B Comprehensive Population-Based Payment	0%	0%	0%	0%	0%
		Total (should equal to 100% for each payer)	**0%**	**0%**	**0%**	**0%**	**0%**

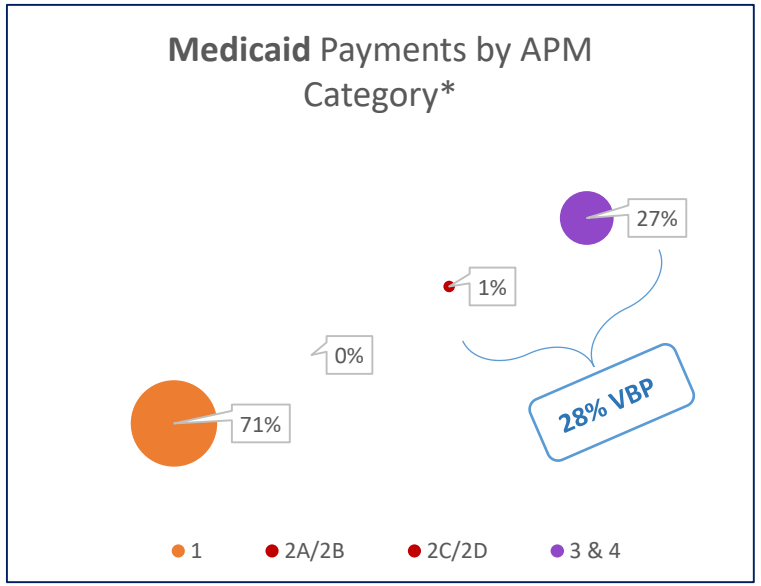
Health Plan VBP surveys (MCO and commercial payers)

Respondents:

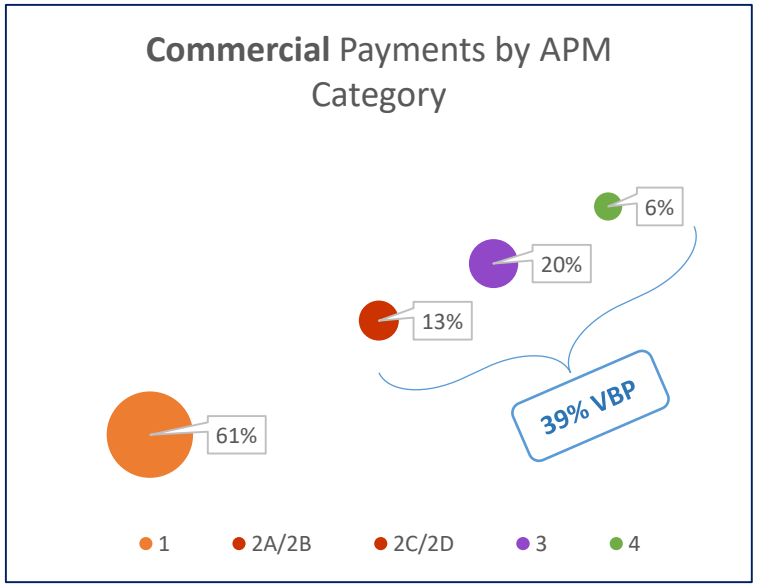
- MCOs:
  - Amerigroup
  - Community Health Plan of Washington
  - Coordinated Care
  - Molina
  - United
- Commercial/Medicare Advantage payers:
  - Aetna
  - Amerigroup
  - Kaiser
  - Premera
  - Regence

Health Plan VBP surveys (cont.)

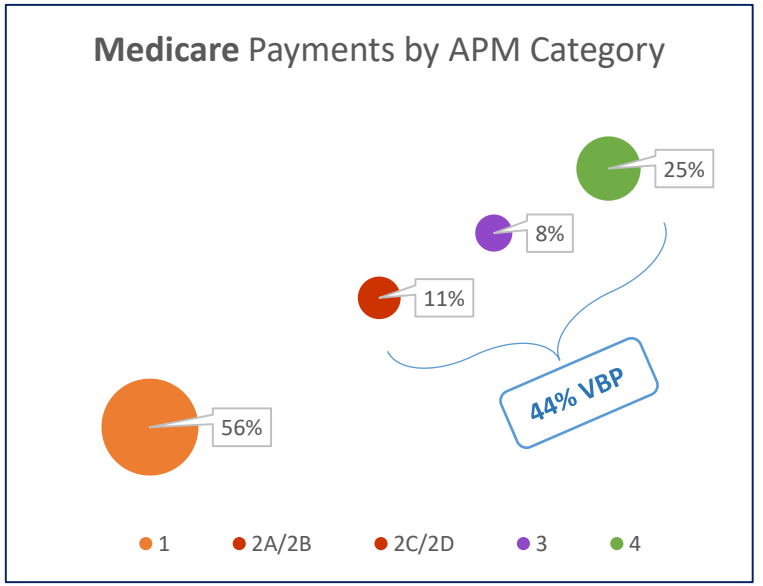
Payments by APM Category



n=5
Total payments = $4.18B
VBP = $1.17B



n=5
Total payments = $13.46B
VBP = $5.25B



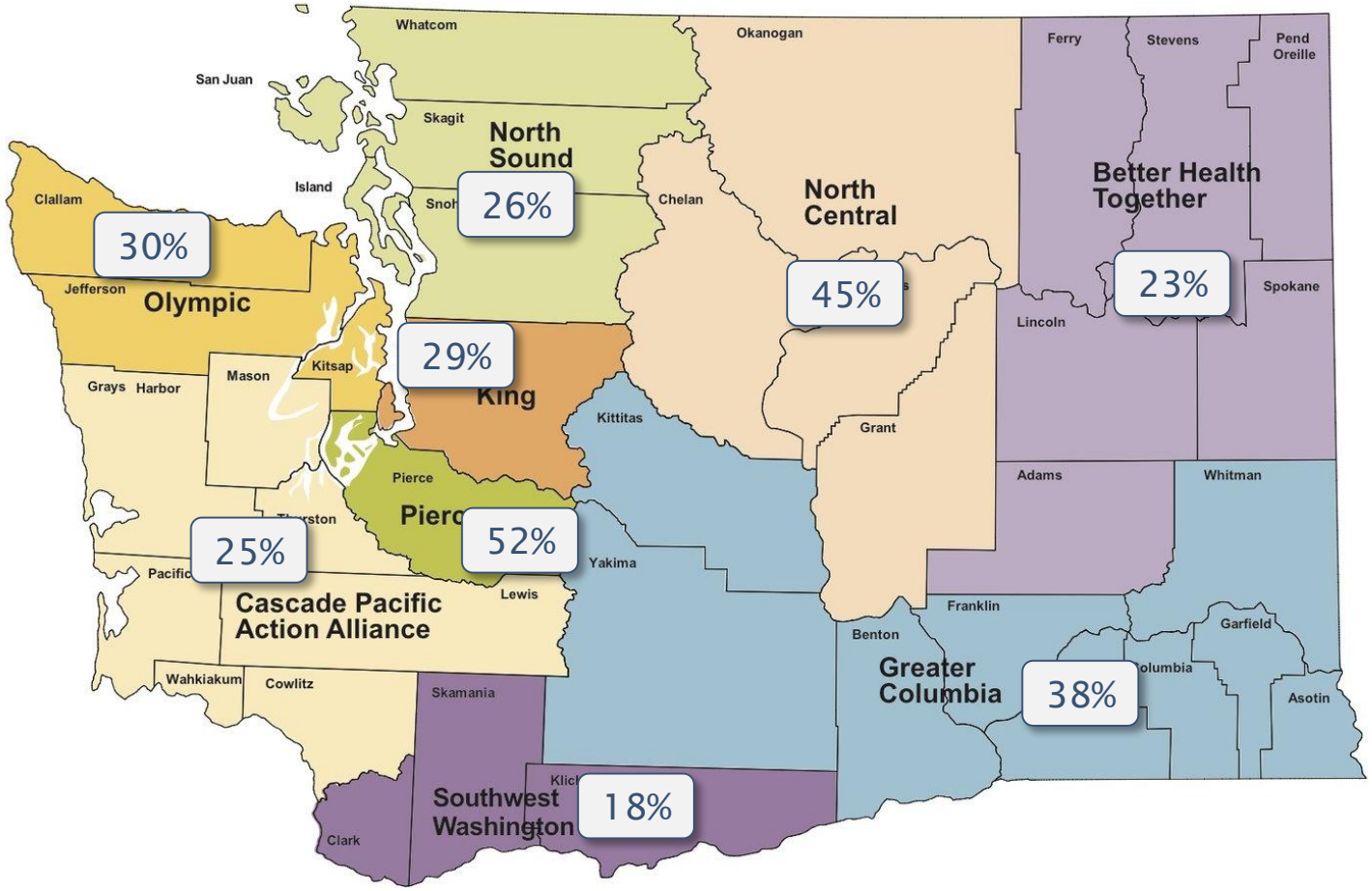
n=5
Total payments = $1.95B
VBP = $858M

**One MCO reported Categories 3 and 4 in aggregate, limiting the APM breakdown of our analysis*

Statewide VBP = $7.28B *(37%)*

2016 survey results = 30%

MCO VBP* by Accountable Community of Health



**One MCO reported Categories 3 and 4 in aggregate (statewide). Consequently, the graphic above represents data from only four MCOs*

Health plan VBP surveys (cont.)

Enablers and barriers to VBP adoption
(from highest impact to lowest; average score out of 5)

Enablers

Trusted partnerships and collaboration (4.11)
Aligned incentives/contract requirements (3.11)
Aligned quality measurements/definitions (1.67)

n=9

Barriers

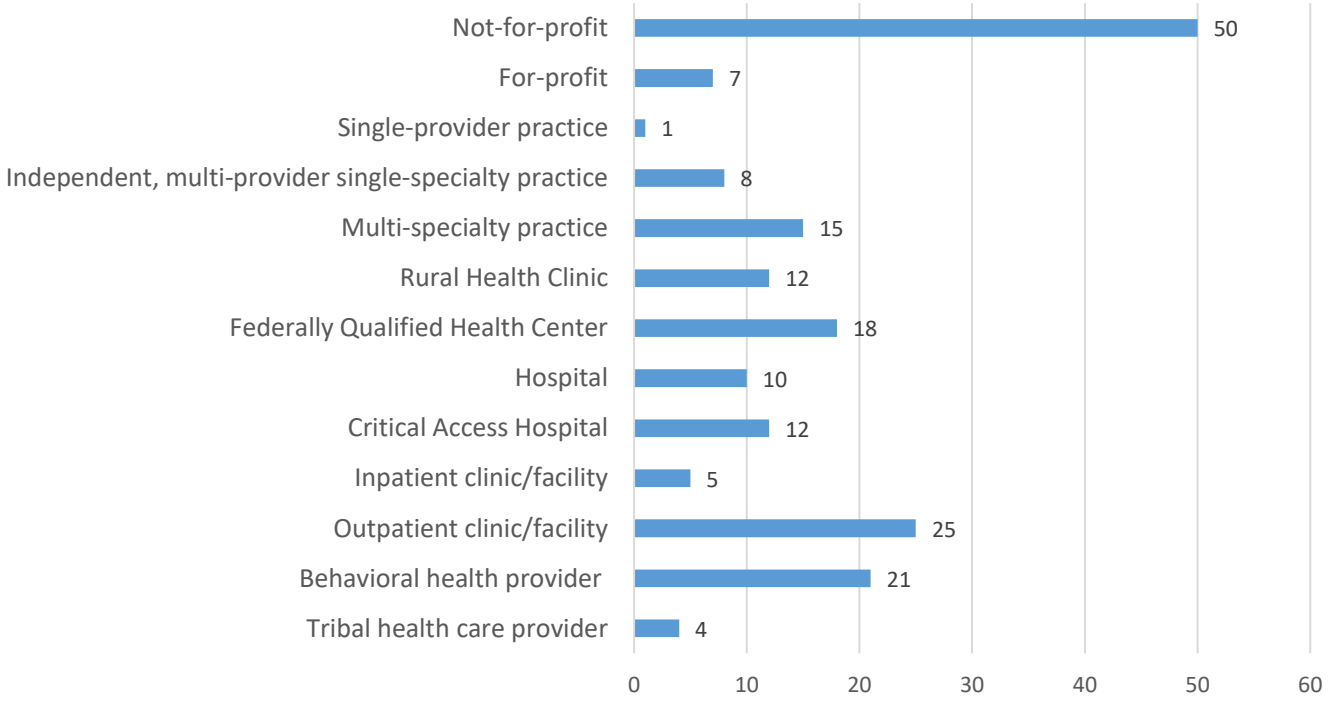
Disparate incentives/contract requirements (2.22)
Interoperable data systems (2.11)
Payment model uncertainty (1.89)

n=9

Provider VBP survey

Respondent provider organization type

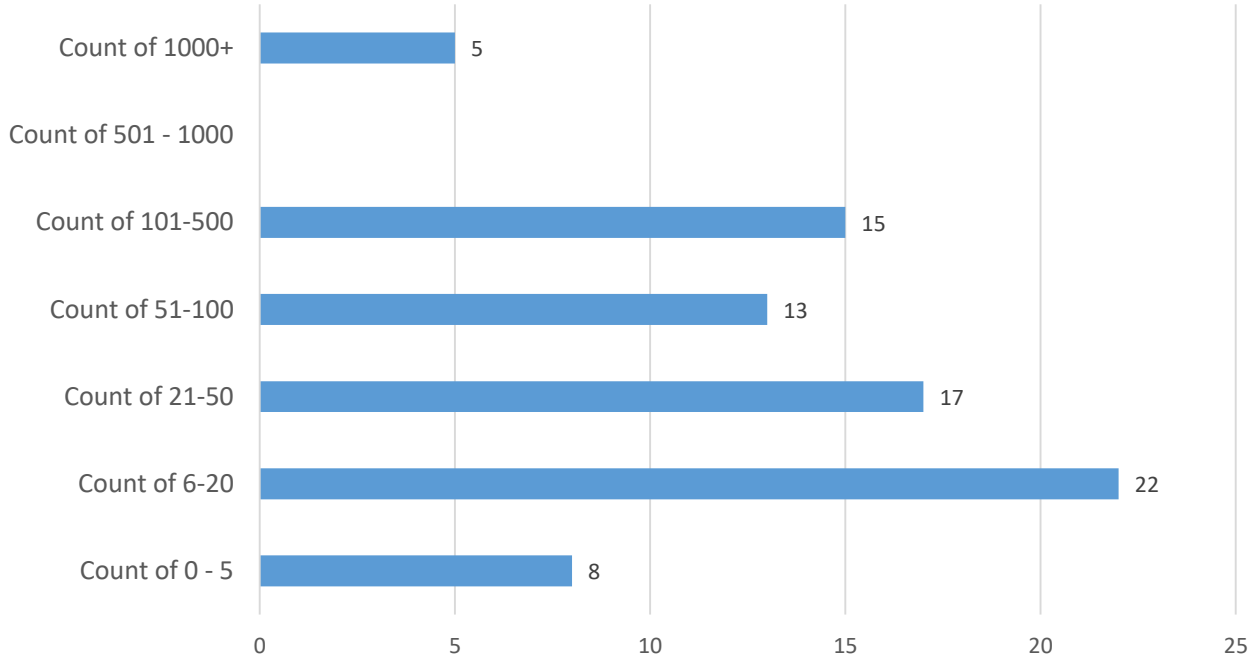
(multiple selections per respondent possible)



n=78

Provider VBP survey (cont.)

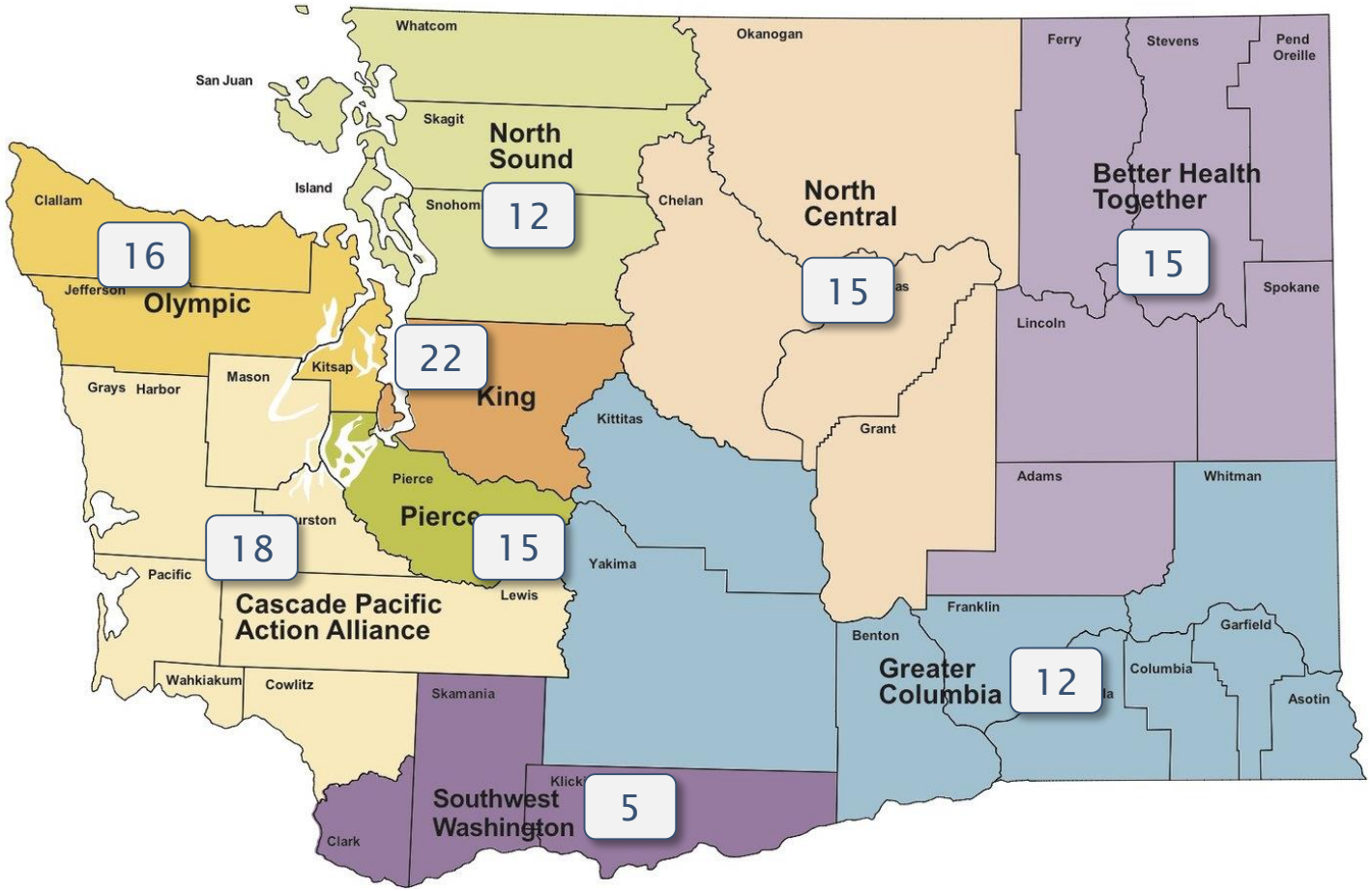
Respondents' number of clinicians



n=78

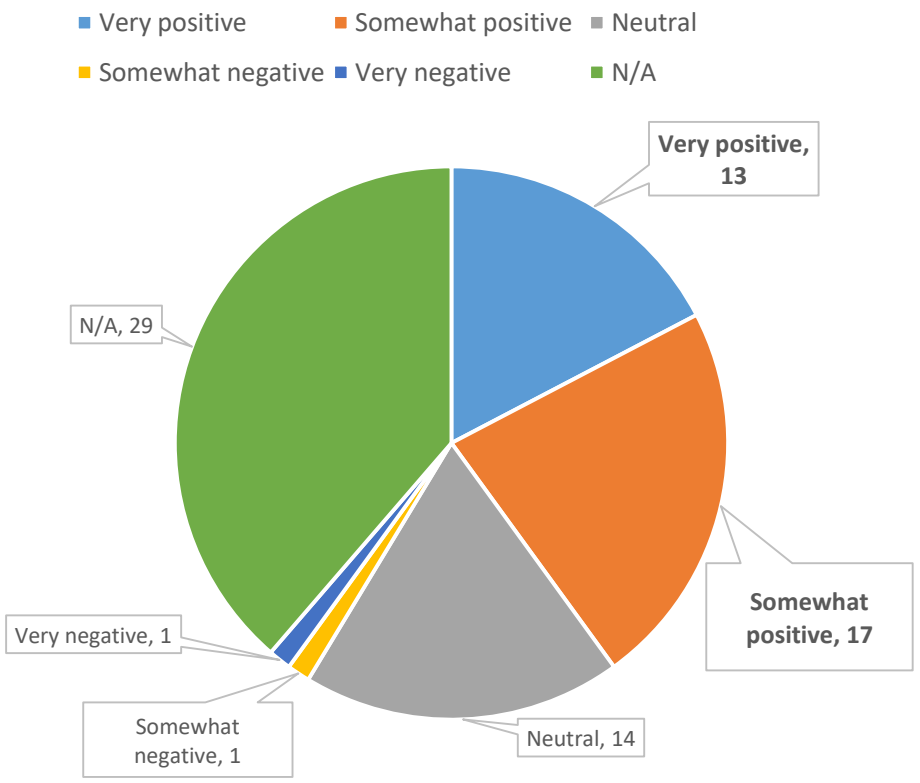
Provider VBP survey (cont.)

Respondent service area by Accountable Community of Health



Provider VBP survey (cont.)

Respondents' experience with VBP



n=75

Provider VBP survey (cont.)

Enablers and barriers to VBP adoption (from most often cited to least)

Enablers

Aligned incentives and/or contract requirements* (26)
Trusted partnerships and collaboration with payers* (26)
Aligned quality measurements and definitions* (24)

**Same or similar enabler reported by WA health plans*

n=78

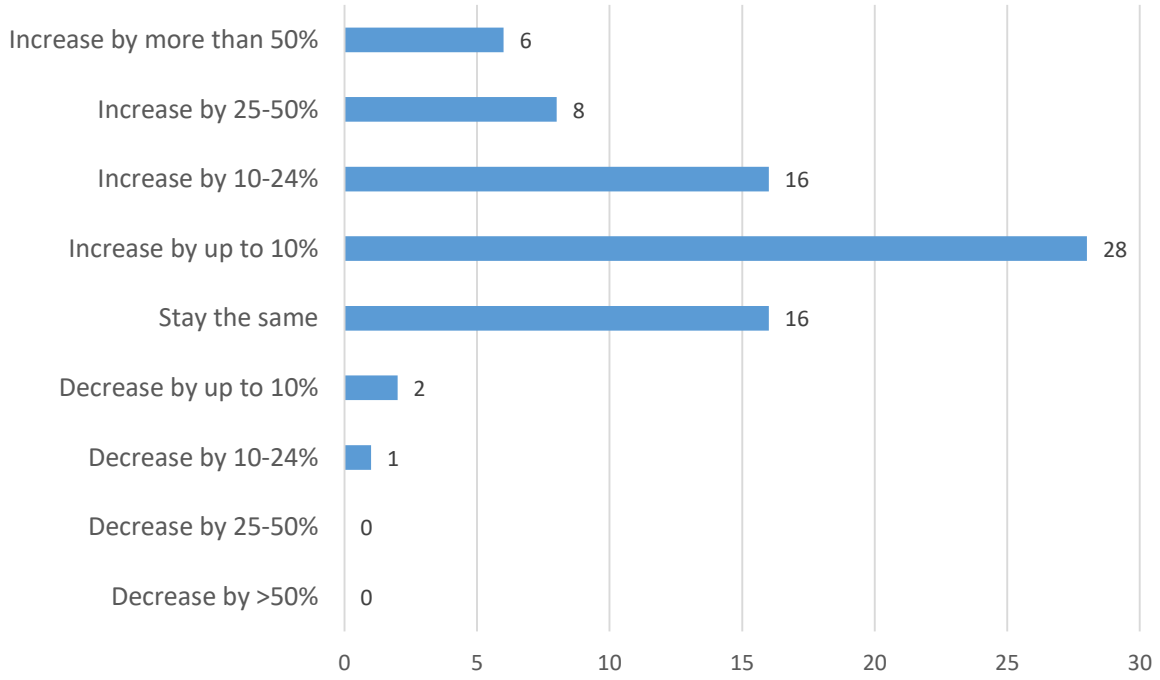
Barriers

Lack of interoperable data systems* (48)
Lack of timely cost data to assist with financial management (45)
Lack of access to comprehensive data on patient populations * (42)

n=78

Provider VBP survey (cont.)

Respondents' future plans for VBP



n=77

Summary: top enablers

Providers

Aligned incentives and/or contract requirements* (26)
Trusted partnerships and collaboration with payers* (26)
Aligned quality measurements and definitions* (24)

**Same or similar enabler reported by WA health plans*

n=78

All Payers

Trusted partnerships and collaboration (4.11)
Aligned incentives/contract requirements (3.11)
Aligned quality measurements/definitions (1.67)

n=9

Summary: top barriers

Providers

Lack of interoperable data systems* (48)
Misaligned incentives and/or contract requirements (29)

**Same or similar enabler reported by Washington State health plans*

n=78

All Payers

Disparate incentives/contract requirements (2.22)
Interoperable data systems (2.11)

n=9

Summary findings – VBP is accelerating

Payers' VBP increase from previous year

Providers' experience with VBP has been generally positive

Providers generally plan to increase VBP participation

- To facilitate the acceleration:
  - Transparent, consistent, clear incentives
  - Align quality measures
  - Foster collaborative and trusting relationships
  - Invest in interoperability

Question?

Have questions?

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